IT Initiative Supplement

April 29, 2010

I. Project Description

Project Title: MPERA New System Development
Brief Description of the Project Title: Develop new software systems for existing critical mainframe legacy software systems.
Statewide Priority:
Agency Priority: Critical
Estimated Completion Date: To be determined.
IT Project Biennium: FY2012 – FY2013; FY2014 – FY2015
Request Number:
Version:

Agency Number: 06104
Agency Name: Montana Public Employee Retirement Administration
Program Number:
Program Name:

A. Type of Project (check all that apply)
     Enhancement
X   **Replacement**
     New
     O&M

B. Type of System (check all that apply)
     Mid-Tier
X   **Mainframe**
     GIS
     Web
     Network
     Desktop

II. Narrative

C. Executive Summary

    Project Purpose and Objectives: Our current mainframe systems utilize IDMS databases. These applications are nearing the end of their life cycle, but are customized to our needs and continue to perform well. We would like to replace the buyback, retired, active and the Volunteer Firefighter applications.

Technical Implementation Approach: The feasibility of replacing all these applications at one time in the current state economy may not be feasible. Emphasis will be placed on replacing these applications in phases by identifying and evaluating these applications from the perspective of both public and private sector costs and benefits and, coordinating the planning, developing, and implementing of the new systems in conjunction with budget development and approval. Off the shelf software will also be considered.

Project Schedule and Milestones:

D. Business and IT Problems Addressed: Replacement of mainframe IDMS applications nearing the end of their life cycle. Automating manual processes to improve business efficiency and provide enhanced functionality.

E. Alternative(s)

Alternatives Considered:
1. Maintain existing IDMS mainframe systems.
2. Purchasing and maintaining off the shelf systems.
3. In house software development in phases.

Rationale for Selection of Particular Alternative: 1) Cost: ITSD has suggested that the cost for maintaining mainframe IDMS applications may become more costly as more agencies migrate away from the mainframe 2) Support: ITSD has suggested that the support for mainframe applications may be discontinued. They have encouraged us to migrate our systems from the mainframe to mid tier applications. 3) Improved functionality: Our existing mainframe IDMS applications do not meet all of our business requirements.

F. Narrative Detail

III. Costs

G. Estimated Cost of Project:
The estimated cost of this project has not been determined and may need to go to the legislature for funds to proceed with this project.

1. **Personnel Services – IT Staff:**

2. **Personnel Services – Non IT Staff:**

3. **Contracted Services:**

4. **ITSD Services:**

5. **Hardware:**

6. Software:

7. Telecommunications:

8. Maintenance:

9. Project Management:

10. IV&V

11. Contingency:

12. Training:

13. Other:

Total Estimated Costs:

Total Funding:

IV. Funding

H. Funding
Currently we do not have enough information to determine funding. We need to research what funding we may receive from the state.

1. Fund:

01 general fund

07 agency funds

other

2. Amount:

3. Total Costs:

Cash/Bonded:

Bill Number:

V. Cost upon Completion

1. **Operating Costs upon Completion**

Costs have not been estimated.

      FTE:

      Personal Services Costs:

      Operating Costs:

      Maintenance Expenses:

      Total Estimated Costs:

2. Funding Recap

      Fund Type:

      Amount:

      Total Funding:

V. Risk Assessment

A. Current IT Infrastructure Risks

1. Current application 10+ years old?   Yes
   Date of last major upgrade?
   PERD Retiree Systems: 1985
   PERD Active Systems: 1993
   VFCA: 2006

2. Current application is based on old technology?   Yes
   If yes, what is the current hardware platform, operating system, and programming languages
   used to support the application?   Z/OS 1.09 mainframe using IDMS Cobol and ADS.

3. Is the agency not capable of maintaining the current application with internal technical staff?
                                                                No
   If yes, who supports the application today?   1 FTE and 1 contractor. Support may be
   impacted if there is staff turnover or loss of contractor.

4. Other IT infrastructure risks?   Yes
   If yes, provide further detail. Currently ITSD hosts our mainframe applications. These
   applications are at risk if this service is terminated.

B. Current Business Risks

1. What are the risks to the state if the project is not adopted?   Increasing costs as agencies migrate away from the mainframe.

2. Does the current application meet current business requirements?   No
    If "no", what specific business functions does the application lack?
    Service Purchase and retirement calculation functionality is limited. Critical processes are performed manually and could be automated to improve accuracy and efficiency.

C. Project Risk Assessment

1. Describe any major obstacles to successful implementation and discuss how those obstacles will be mitigated. A risk assessment has not been performed.

Table H   Risk Assessment

Description	Severity (H/M/L)	Probability of Occurrence (%)	Estimated Cost	Mitigation Strategy
Funding				
Project Management				
Staffing				
Technology advancements				
Project approach (Chunking)				